



Holcim

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M/045/060

November 12, 2004

Mr. Paul Baker
State of Utah
Department of Natural Resources
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

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DIV. OF OIL, GAS & MINING

Subject: Permit number M/045/060 – Skull Valley Diatomaceous Earth
Minerals Regulatory Program Inspection Report, September 27, 2004

Dear Mr. Baker:

This letter is written in response to the September 27, 2004 Inspection Report. A copy of this letter will be sent to Mike Ford of the BLM as well.

Regarding the total disturbed acres, the approximate 6 acres mentioned in the Inspection Report includes two acres of land disturbed by the previous operator, not affiliated with Holcim (U.S.), Inc. Holcim has not disturbed these lands but intends to reclaim them.

Additionally, Holcim fully agrees a soil survey is needed and one has been ordered for the next field season, as it is currently too late in the year for a soil and vegetation survey. In the mean time, Holcim is open to suggestions to improve the salvage of topsoil.

Please note that since Holcim began operations, Skull Valley has suffered drought conditions, leading to germination problems. Each fall, the reclaimed area is reseeded, but germination of desired vegetation remains an issue.

Holcim is currently working on addressing your concerns expressed in the Initial Review of the NOI: Large Mining Operations for this area.

Sincerely,

Lance Stephens

cc: Mike Ford, BLM, SLFO (UTU-77753)